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C O N F I D E N T I A L KUALA LUMPUR 001099

SIPDIS

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TAGS: [ETRD](#) [ETTC](#) [PREL](#) [CU](#) [MY](#)
SUBJECT: CUBA: MALAYSIA REVIEW FOR SUSPENSION OF TITLE III
OF THE LIBERTAD ACT

REF: SECSTATE 126578

Classified By: Deputy Chief of Mission Robert Rapson for reasons 1.4 (b)
) and (d)

¶1. (C) Summary: Based on the information available to post, it appears no Malaysian entities would be subject to Title III sanctions against persons trafficking in confiscated properties in Cuba. Per Ref A request, this message provides post's analysis of Malaysian policies and actions with respect to Cuba, for use in assessing whether to waive Title III of the LIBERTAD Act. There has been no substantive change since Ref B. Post does not believe a decision to waive or not to waive Title III will have a significant impact on Malaysian relations with Cuba; they will remain cordial. However, imposing sanctions against a Malaysian entity would be perceived as a negative political act, and would likely result in more vocal opposition to U.S. policy toward Cuba than Malaysia has demonstrated in the past. End Summary.

Investment and Bilateral Trade

¶2. (U) Malaysia has a very limited economic relationship with Cuba. Total bilateral trade for 2007 was \$5.48 million. As a percentage of Malaysia's 2007 total global trade of more than \$336.3 billion, Cuba does not blip the radar.

¶3. (U) Trinidad Holdings Sdn. Bhd., a trading group based in Kuala Lumpur, has been the exclusive Malaysian distributor for Cuban cigars since 1993, and also sells Cuban wine, beer, and ice cream mainly to hotels and restaurants.

Scientific and Medical Cooperation

¶4. (U) The two countries signed a memorandum of understanding for scientific cooperation in 2002 that was designed to advance cooperation on biotechnology, primarily at the university level. The same year a Malaysian firm (Bioven) headed by Mukhriz Mahathir, son of former Prime Minister Mahathir, signed a joint venture with Cuba's Heber Biotec to manufacture and distribute Cuban biotechnology products, such as vaccines, in Southeast Asia. Bioven has completed phase one clinical trials on one cancer treatment drug and is developing a second. It is unclear whether Heber Biotec is involved, except that clinical trials were carried out in Cuba as well as Canada and the UK.

¶5. (U) Inno Biologics (InnoBio), a Malaysian biotechnology company, is working with Cuba's Centre for Molecular Immunology to conduct a two-year clinical trial of monoclonal antibodies for the treatment of head and neck cancer. Universiti Sains Malaysia (USM) worked with Cuba's Finlay Institute and the Centre for Genetic Engineering and Biotechnology in Cuba to develop vaccines for tuberculosis and meningitis, including a halal ("permissible" under

Islamic law) meningitis vaccine produced from extracts of animals slaughtered according to Islamic practices. Until this halal vaccine became available, Malaysia imported meningitis vaccine produced from pig extracts. Finlay, Heber, and Bioven hope to market the vaccine globally, especially to OIC countries.

¶16. (U) In September, five Malaysian students departed for Cuba to study medicine on Cuban government-sponsored scholarships. Although Cuban medical degrees are accredited by the World Health Organization, the Government of Malaysia does not recognize them.

Other Exchanges

¶17. (U) Cuba and Malaysia occasionally conduct sports and cultural exchanges; however, post is not aware of any such exchanges during the past six months.

Promotion of Democracy

¶18. (C) The Government of Malaysia has undertaken no policies or actions of which we are aware to advance democracy, human rights and fundamental freedoms in Cuba. Malaysia is a vocal advocate of non-interference in the internal affairs of other states. Malaysia established diplomatic relations with Cuba in February 1975.

High Level Visits

¶19. (U) Post is not aware of any high-level visits during the past six months.

COMMENT:

¶10. (C) Malaysia objects in principle to the imposition of economic sanctions and consequently supports Cuba's opposition to U.S. economic sanctions on Cuba. We would expect Malaysia to protest in principle the imposition of Title III sanctions on any country. The protests would become more vehement if a Malaysian entity were singled out for sanctions. Malaysia could be expected to respond to sanctions by maintaining or even increasing its support for Cuba in the UN and other organizations.

KEITH